

# **2006 Work Plan**

Jim Seney, Executive Director

**Statement of Purpose:** To plan, promote and implement the improved movement of people and cargo faster and safer on a rail transportation system connecting Ohio to the nation and the world.

## **Objectives:**

- Build on rail's proven strengths: price, volume and reach
- Leverage Ohio's expenditures of transportation and private rail investments with federal funds
- Increase the access to capital for shortline railroads
- Reduce fatalities at grade crossings
- Prepare Ohio's rail corridors for increased freight and passenger train volume and speed

## **Specific Elements for Building the Rail Infrastructure for Tomorrow**

### **Safety:**

- Aggressively negotiate crossing closures
- Support implementation of quiet zones
- Attend the Midwest Highway/Railroad Grade Crossing Safety Conference (June '06 – Minnesota)
- Support and participate in Operation Lifesaver program
- Continue to negotiate major corridor improvements with carriers
- Continue technical education of all safety personnel – BNSF track safety & standards school
- Negotiate and re-write Master Agreements on surface reconstruction & consolidation projects

### **Moving Cargo:**

- Work with CSX; Parsons Yard track application
- Support NS expansion of Columbus facilities
- Support implementation of West Virginia Double Stack project
- Develop southern Ohio transload facility with new transload funding
- Support projects that enhance mainline capacity
- Continue branchline rehabilitation through loan and grant programs; Pass SB 139 in the House and Senate
- Improve staff knowledge of track structure and rehabilitation procedures through educational seminars
- Educate Ohio's General Assembly and the Governor's office on freight railroads' needs

### **Moving People:**

- Seek Controlling Board approval and implement the Ohio Hub Economic Impact Study
- Complete Tier I EIS negotiations with the FRA
- Publicize Ohio Hub plan to the FRA, White House, Congress, Ohio Legislature and the Governor's Office
- Work with the Governor's office and the Ohio Delegation on passage of Senate Bill 1516 (Lott, DeWine) and HR 1630 and HR 1631 (LaTourette)
- Continue education of Ohio's General Assembly and Governor's Office on passenger rail development

*Bill Summary & Status for the 109th Congress*

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**H.R.1631**

**Title:** To provide for the financing of high-speed rail infrastructure, and for other purposes.

**Sponsor:** Rep Young, Don [AK] (introduced 4/14/2005)    **Cosponsors** (72)

**Latest Major Action:** 4/27/2005 House committee/subcommittee actions. Status: Ordered to be Reported by Voice Vote.

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**SUMMARY AS OF:**

4/14/2005--Introduced.

Rail Infrastructure Development and Expansion Act for the 21st Century - Amends Federal rail transportation law to authorize the Secretary of Transportation to designate high-speed rail infrastructure bonds if: (1) the bonds are issued by a State, or one or more of the States that have entered into an interstate compact under the Amtrak Reform and Accountability Act of 1997, or by such compact; (2) they are for financing projects that make a substantial contribution to providing the infrastructure required to complete a railroad passenger transportation corridor for high-speed intercity rail passenger service, or for projects for the Alaska Railroad; (3) for a railroad passenger transportation corridor design that includes the use of freight railroad rights-of-way, a written agreement exists between the applicant and the freight railroad regarding such use and other conditions are met; (4) the corridor design eliminates all existing railroad grade crossings that would impede high-speed rail operations; (5) the applicant agrees to comply with certain labor standards with respect to such project; and (6) the applicant agrees not to pay the principal or interest on the bonds using funds derived directly or indirectly from the Highway Trust Fund, except as permitted by existing law. Excludes the interest on such bonds from an individual's gross income.

Requires any entity providing high-speed intercity passenger railroad transportation to negotiate over hiring and working conditions with the collective bargaining agent or agents of the employees of any existing rail passenger service it might be replacing.

Amends the Internal Revenue Code to allow certain tax credits to holders of qualified high-speed rail infrastructure bonds.

Makes corridor development activities (including the acquisition of locomotives, rolling stock, track, and signal equipment) eligible for Federal assistance.

Amends specified Federal law to change from discretionary to mandatory the Secretary's authority to provide direct loans and loan guarantees for rail rehabilitation and improvement projects to State and local governments, interstate compacts, government sponsored authorities and corporations, railroads, and joint ventures that include at least one railroad.

# Summary of Passenger Rail Investment and Improvement Act

## Overview

The Passenger Rail Investment and Improvement Act (PRIIA) is a six year reauthorization bill (FY 2006-2011) – the same time frame as the Amtrak Board's strategic plan. The bill authorizes funding for Amtrak's capital and operating needs to maintain current operations, upgrade equipment, and return the Northeast Corridor (NEC) to a state of good repair. Over the life of the bill, Amtrak's operating subsidy is reduced by 40% through cost cutting, restructuring, and reform while capital funding is increased. The bill creates an intercity passenger rail capital grant program for the States.

## Funding Summary

	6 Year Funding Totals	Average
Amtrak Operating Subsidy	\$3.3 billion	\$556 million
Amtrak Capital Grants	\$4.9 billion	\$818 million
<b>State Grants</b>	<b>\$1.4 billion</b>	<b>\$340 million</b>
Existing Amtrak Debt	\$1.7 billion	\$287 million
Total	\$11.4 billion	\$1.9 billion

## Amtrak Reforms

**Management Improvement:** The bill requires a financial accounting system for Amtrak operations and a five year financial plan. The system is monitored by the Department of Transportation Inspector General.

**Debt:** The bill directs the Secretary of the Treasury, in consultation with the Secretary of Transportation and Amtrak, to negotiate the restructuring of Amtrak's debt within one year. If a restructuring results in significant savings, the Secretary of Treasury assumes the restructured debt, with the full faith and credit backing of the Treasury.

If no restructuring is possible, Amtrak must pay the debt. Such debt is solely the responsibility of Amtrak, without any implied federal guarantee.

**Corporate Governance:** This bill adds the Amtrak President to the Amtrak Board, bringing the total number of members on the board to nine. Members are required to have either rail, transportation, or a business background.

**Metrics and Standards:** In consultation with the Surface Transportation Board (STB) and the operating freight railroads, the Federal Railroad Administration (FRA) and Amtrak shall jointly develop metrics and standards for measuring the performance and service quality of intercity

train operations. Such metrics and standards shall include cost-recovery, on-time performance, ridership per train mile, on-board and station services, and the connectivity of routes. The Federal Railroad Administration shall publish a quarterly report on train performance and service quality.

**Route Methodology:** The FRA must retain a consultant to develop and recommend objective methodologies for route and service decisions. The methodologies shall give consideration to cost recovery and on-time performance of existing routes, connections with other routes, transportation needs of communities not served by other public transportation, and the methodologies used by rail service providers in other countries. Amtrak shall consider adoption of the methodologies recommended by the consultant.

**Access to Amtrak Equipment and Services:** States wishing to use operators other than Amtrak for the provision of state-supported services shall have access to Amtrak facilities for the purpose of operating that particular route.

### **Northeast Corridor and Short-Distance Routes**

**Northeast Corridor:** Amtrak must develop a capital spending plan to return the NEC to a state of good repair by the end of 2011. The capital funds authorized in the bill are used to carry out the plan at a 100 percent Federal share. This bill establishes an advisory commission to provide advice and oversight of the NEC's operations and infrastructure. The commission members represent Amtrak, the FRA, and each State in the NEC. The commission must develop a proposal for determining the proper costs and access fees for NEC passenger and commuter trains. If Amtrak and the States fail to implement the proposal, the STB is authorized to impose restructured fees for the users of the NEC.

**State-Supported Routes:** Amtrak must develop, after consulting the States and the FRA, a uniform cost allocation methodology to assign costs and determine compensation for State-supported services. Currently, States pay different rates depending on when their contracts with Amtrak were negotiated. If Amtrak and the States don't implement the proposal developed by the commission, the STB is authorized to impose restructured compensation rates.

### **Long Distance Trains**

**Service Improvements:** The FRA, in consultation with Amtrak, must develop system-wide performance metrics for all Amtrak services in 2006 to evaluate the financial and on-time performance, and customer satisfaction of each train. These metrics will be collected and published on a quarterly basis. In 2007, Amtrak is required to establish performance improvement plans for 5 long distance routes (1/3 of the 15 intercity passenger trains) with the worst performance. As Amtrak develops these plans, it must consider restructuring the route, improving on-board service, changing amenities such as sleeper car service and food service, and changing the frequency of the trains. In 2008, Amtrak must implement the plans. In future years, the remaining long distance routes will undergo the same restructuring process.

**Competitive Bid Program:** The bill establishes a competitive bid program allowing freight railroads to bid for long distance trains. FRA administers the bid process. Any employees adversely affected by the cessation of the operation of a route will either be relocated to other positions within Amtrak, provided financial incentives in exchange for the voluntarily termination of their employment, or paid termination payments guaranteed under existing collective bargaining agreements.

### **Other Provisions**

**Service Improvements:** The bill requires the STB to issue a quarterly on-time service report. If a train's on-time performance record falls below 80% for two consecutive quarters or fails to meet other requirements set by the FRA, the STB must investigate the cause. The STB then recommends to Amtrak or a freight railroad how to fix the problems that cause the service delay. If the STB determines that delays to passenger trains are the result of freight railroads not providing priority access to Amtrak, as required under law, the Board may take appropriate action to enforce priority access.

**Capital Grants:** The bill creates a new State Capital Grant program for intercity passenger rail capital projects. The program makes grants to a State, or a group of States, to pay for the capital costs of facilities and equipment necessary to provide new or improved intercity passenger rail. The federal match is 80 percent. Projects are selected by the Secretary of Transportation based on economic feasibility, expected ridership and other factors.

**State Rail Plans:** The bill establishes a State rail planning process. New projects funded by the grant program must be on the plan.

**Security:** The bill includes the Amtrak and passenger rail security and tunnel life/safety provisions from the Rail Security Act of 2004 that passed the Senate.

**Bond Financing:** Contains a sense of the Congress in support of multi-year, predictable funding for inter-city passenger rail. Reserves sections for provision in the Finance Committee's jurisdiction.